

Message Text

LIMITED OFFICIAL USE

PAGE 01 ISTANB 01467 161044Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 DOEE-00 /128 W
-----111271 161137Z /17

P R 151246Z MAY 78
FM AMCONSUL ISTANBUL
TO AMEMBASSY ANKARA PRIORITY
SECSTATE WASHDC 9949
AMCONSUL ADANA
AMCONSUL IZMIR

LIMITED OFFICIAL USE ISTANBUL 1467

E.O. 11652: N/A
TAGS: BDIS, ENRG, EFIN, TU
SUBJ: MOBILE CABLE TO PRIME MINISTER ECEVIT

REF: ISTANBUL 1458

1. MARC CASANOVA, PRESIDENT, MOBIL OIL COMPANY IN TURKEY,
HAS DICTATED TO US BY PHONE THE FOLLOWING CABLE WHICH IS
BEING SENT MAY 15 TO PRIME MINISTER ECEVIT FROM CURTIS M.
KLAERNER, EXECUTIVE VICE PRESIDENT AND DIRECTOR, MOBIL
OIL CORPORATION, NEW YORK: "WE AT MOBIL HAVE BEEN INFORMED
BY THE MANAGER OF OUR AFFILIATE OPERATIONS IN TURKEY THAT THE
POSSIBILITY EXISTS THAT ON OR ABOUT MAY 27 THE GENERAL
DIRECTORATE OF PETROLEUM ADMINISTRATION WILL RECOMMEND TO
THE MINISTER OF ENERGY THAT THE REFINERY CERTIFICATE COVERING
THE ATAS REFINERY WILL BE CANCELLED. WE BELIEVE THAT THERE ARE
NO VALID GROUNDS FOR THIS ACTION; AND, THEREFORE, ARE GRAVELY
CONCERNED, AFTER 73 YEARS OF PRODUCING AND SUPPLYING PETROLEUM
PRODUCTS IN TURKEY, AT THE POSSIBILITY OF SUCH ACTION
BEING TAKEN. THE MANAGEMENT OF THE MOBIL COMPANIES IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ISTANB 01467 161044Z

TURKEY HAS, FOR MANY MONTHS, BEEN DISCUSSING THE SEVERAL
ISSUES INVOLVED WITH THE MINISTERS OF ENERGY AND FINANCE,
BUT THESE DISCUSSIONS HAVE NOT YET RESULTED IN A SATISFACTORY
RESOLUTION. OUR RECENT CABLE TO THE MINISTERS REVIEW THE
ISSUES IN DETAIL AND, FOR YOUR INFORMATION, A COPY OF THAT
CABLE (REFTEL) IS ENCLOSED. I HAVE POINTED OUT IN THAT
CABLE THE CURRENT SITUATION HAS ARISEN THROUGH NO FAULT OF

MOBIL, BUT BECAUSE:

1) THE GOVERNMENT IN CONSEQUENT (SIC*) OF SEVERAL FINANCIAL PROBLEMS HAS NOT MADE AVAILABLE FOREIGN EXCHANGE TO COVER MOBIL REFINING COMPANY'S IMPORTS OF CRUDE OIL SO THAT AN INDEBTEDNESS TO MOBIL REFINING COMPANY'S SUPPLIER OF \$110 MILLION HAS BEEN BUILT UP; AND,

2) MOBIL REFINING COMPANY HAS BEEN REQUIRED BY THE GOVERNMENT TO OPERATE IN TURKEY SINCE OCTOBER 1975 AT A SUBSTANTIAL LOSS WITH THE CONSEQUENT EXHAUSTION OF ITS SUPPLY OF TURKISH LIRA.

SINCE THESE PROBLEMS HAVE NOT BEEN RESOLVED AND BECAUSE OF THE IMMINENT DANGER OF ADVERSE ACTION WITH RESPECT TO MOBIL'S BUSINESS IN TURKEY, I RESPECTFULLY SUGGEST THAT WE MEET AT A TIME CONVENIENT TO YOU IN ORDER TO DISCUSS AND ATTEMPT TO REACH A RESOLUTION OF THESE MATTERS. IN THE EVENT THAT SUCH A MEETING CANNOT BE HELD UNTIL AFTER MAY 27, I WOULD BE GRATEFUL IF YOU WOULD ARRANGE THAT NO IRREVERSIBLE ACTION BE TAKEN WITH RESPECT TO THE REFINERY CERTIFICATE PRIOR TO SUCH MEETING. RESPECTFULLY YOURS,".

2. IN ADDITION CASANOVA HAS SENT THE FOLLOWING BRIEF LETTER MAY 15 TO THE TURKISH MINISTERS OF ENERGY AND FINANCE:
"ATTACHED ARE FISCAL BALANCE SHEET RESULTS OF MOBIL REFINING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ISTANB 01467 161044Z

SINCE IT BEGAN OPERATION IN 1962. THAT SUMMARY WILL SHOW THAT MOBIL HAS LOST OVER A BILLION LIRA SINCE ITS FORMATION IN 1962."

3. CASANOVA EXPLAINED THAT HE WAS SENDING THE LETTER TO SHOW THAT MOBIL REFINING IN TURKEY HAS SUFFERED A NET LOSS OF A BILLION LIRA IN ITS OPERATIONS SINCE 1962. ALTHOUGH HE MENTIONS A DEBT OF A BILLION LIRA IN HIS CABLE TO THE MINISTERS, HE FEARS THE MINISTERS WILL FEEL NO URGENCY IN MEETING THIS DEBT BECAUSE THEY WILL FALSELY ASSUME MOBIL REFINING HAS DURING THE PERIOD EARNED SUBSTANTIAL PROFITS FROM WHICH THEY CAN CONTINUE TO FINANCE THE OPERATIONS OF THE COMPANY.

4. CASANOVA, AS WITH REFTTEL, REQUESTED THAT THE CABLE AND LETTER BE TREATED AS CONFIDENTIAL.
HOUGHTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRIME MINISTER, TEXT, EXPLORATION, PUBLIC CORRESPONDENCE, BUSINESS FIRMS, LICENSES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ISTANB01467
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780206-0395
Format: TEL
From: ISTANBUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780559/aaaabybg.tel
Line Count: 111
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 048c1c9f-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 ISTANBUL 1458
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2691746
Secure: OPEN
Status: NATIVE
Subject: MOBILE CABLE TO PRIME MINISTER ECEVIT
TAGS: BDIS, ENRG, EFIN, TU, US, MOBIL OIL CO, (ECEVIT, BULENT), (KLAERNER, CURTIS M)
To: ANKARA STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/048c1c9f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014